

EXHIBIT 1

INTRODUCTION

In 1993, the Greater San Diego Chamber of Commerce (hereafter, the “Chamber of Commerce”) established a nonprofit, tax-exempt entity known as “Greater San Diego Chamber of Commerce Foundation” (hereafter, the “Foundation”).

For purposes of this Stipulation, the violation of the Political Reform Act¹ (the “Act”) is stated as follows:

Count 1: On February 1, 1997, Respondent Greater San Diego Chamber of Commerce Foundation failed to timely file a major donor campaign statement for the reporting period July 1, 1996, through December 31, 1996, in violation of Section 84200.

SUMMARY OF THE LAW

COUNT 1

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to assure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters will be better informed, and so that improper practices will be inhibited. The Act therefore establishes a campaign reporting system designed to accomplish this purpose.

Major Donor Statement

As part of the Act’s campaign reporting system, section 82013, subdivision (c), states that any person who makes a contribution totaling ten thousand dollars (\$10,000) or more in a calendar year, to or at the behest of candidates or committees, qualifies as a committee. As a committee, this “major donor” is required by section 84200, subdivision (b) of the Act to file semi-annual campaign statements commonly known as “major donor statements.”

¹ The Political Reform Act (“Act”) is contained in Government Code sections 81000 through 91014. All references to “Section(s)” are to the aforementioned Government Code unless otherwise indicated. Commission regulations appear at Title 2, California Code of Regulations, section 18109, *et seq.*

SUMMARY OF THE FACTS

COUNT 1

On December 23, 1996, Respondent San Diego Chamber of Commerce Foundation contributed \$11,052 to Excellence in Student Achievement (PAC), a committee sponsored by the Greater San Diego Chamber of Commerce. Seven days later, on December 30, 1996, Respondent Foundation contributed another \$2,000 to the PAC. Gil Parteda was President of the Foundation and had decision-making power over its expenditures. Chamber Chairman Steve Cushman told Commission investigators that Gil Parteda and Mel Katz wanted to transfer the funds from the Foundation to the PAC to pay administrative costs of the PAC. Because it contributed over \$10,000 to a campaign committee in a calendar year, Respondent Foundation was required to file a major donor statement no later than January 31, 1997. Respondent Foundation did not file a major donor statement, disclosing its political contributions made in 1996, until April 12, 1999.

CONCLUSION

This matter consists of one count, which carries a maximum possible penalty of Two Thousand Dollars (\$2,000).

Ordinarily, a single count of failing to file a major donor statement, if handled through the streamlined major donor program, would have resulted in a \$400 fine. However, this violation took place in the context of additional violations by the PAC, in failing to disclose its sponsor, the Greater San Diego Chamber of Commerce. The Foundation's contributions to the PAC were made in coordination with the Chamber, the PAC's undisclosed sponsor, with which the Foundation is closely allied. Therefore, the public harm in this case is greater than the average major donor violation. For these reasons the agreed upon fine is \$1,000.